

STATE OF HAWAII
REQUEST FOR EXEMPTION FROM CHAPTER 103F, HRS

TO: Chief Procurement Officer

FROM: The Department of Public Safety/Health Care Division
(Department/Division/Agency)

Pursuant to § 103F-101(a)(4), HRS, and Chapter 3-141, HAR, the Department requests a procurement exemption to purchase the following:

Description of health and human services:

Specialty Health Care and Inpatient Hospital Services for the State of Hawaii Inmates housed in Florence, Arizona.

Name of Service Provider	Cost:	Term of Contract:
Carondelet Health Network	Per case, as needed, estimated at \$250,000. Per year	From: December 1, 2002 (Renewable for subsequent one year period) To: November 30, 2003
	Not to exceed \$500,000	Not to exceed 11/30/04

Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: The Carondelet Health Network of Tucson, provides specialized correctional specialty and inpatient hospital health care services. A secured, correctional hospital ward is set up to handle incarcerated patients without the need for additional security manpower. A Phoenix Hospital is also able to provide specialized correctional hospital care, but the Carondelet Network is unique such that it is able to offer the State discounted fees on their Cardio Vascular Surgical and other Specialty services provided through their affiliate network of hospitals. This would result in cost savings to the State, as other hospitals in the geographic area are not able to offer discounted fees on specialty care. Utilizing the services of an integrated Health Network would also provide better quality and continuity of care for admitted Hawaiian patients. This would also expedite approvals for emergent care as the Health Care Division would need to coordinate services with a single entity.

In the past year, inpatient specialty care services have been the highest cost item to the State for the Arizona inmate population, making an agreement with Carondelet Health Network advantageous to the State.

Details of the process or procedure to be followed in selecting the service provider to ensure maximum fair and open competition as practicable:

An agreement with the Carondelet Network would also include discounted specialty care services at all of their affiliated hospitals, St. Joseph's, St. Mary's, and Tucson Heart Hospitals. Contracting with the Network would include Cardio Vascular Surgery, which is not included with other similar contractual arrangements in the geographic area. This would provide continuity of care for the State's inmate patients as contracting with other Arizona Hospitals would entail separate contracts for general and specialty hospital care. There would be the additional security costs associated with the use of non-secure facilities.

A description of the state agency's internal controls and approval requirements for the exempted procurement:
All requests for referrals to outside specialty care and for hospitalization for Hawaii inmates in the custody of the Florence Correctional Facility and the Central Arizona Detention Center are forwarded to the Public Safety, Health Care Division Office for pre authorization.

Upon receipt of the invoice by the Facilities for reimbursement, the Health Care Office staff will verify the pre-authorization and audit the charged amounts.

A list of state agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Dr. Kay Bauman, Corrections Medical Director
Wesley Mun, Corrections Health Care Administrator
Carol Payne, RPN III, Acting Utilization Management Coordinator
Marjorie Bragado, Account Clerk III

Direct questions to:
Wesley Mun

Phone Number:
587-2536

This exemption should be considered for list of exemptions attached to Chapter 3-141, HAR: Yes ☐ No ☒

I certify that the information provided above is to the best of my knowledge, true and correct.

Wesley Mun 11/27/02
Department/Agency Head Date

Chief Procurement Officer's Comments:

Approval is for 2 years not to exceed November 30, 2004 for a maximum amount of \$250,000 per year not to exceed a total of \$500,000.

Please ensure adherence to applicable administrative requirements.

☒ Approved

☐ Denied

cc: Administrator
State Procurement Office

Carol Payne 11/29/02
Chief Procurement Officer Date